

CITY OF OREM  
CITY COUNCIL MEETING  
56 North State Street Orem, Utah  
December 8, 2015

**3:00 P.M. WORK SESSION – PUBLIC SAFETY TRAINING ROOM**

CONDUCTING	Mayor Richard F. Brunst
ELECTED OFFICIALS	Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, and Brent Sumner
APPOINTED STAFF	Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Paul Goodrich, Transportation Engineer; Keith Larson, Traffic Operations Engineer; Sam Kelly, Engineer; Neal Winterton, Water Division Manager; Reed Price, Maintenance Division Manager; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

**DISCUSSION – Draft Storm Water Utility Master Plan**

Mr. Tschirki introduced Keith Larson with Bowen Collins & Associates who had worked with staff on the update of the draft Storm Water Utility Master Plan. He reminded the Council that the following presentation was a review of previous presentations, and said they planned to bring the formal adoption before the Council during a January City Council meeting. He then turned the time to Mr. Price for the presentation.

**Orem City Storm Water Master Plan**

- Storm Water Intro
  - 1987
    - Congress mandates EPA to control certain storm water discharges
  - 1990
    - Utah issues first permits to large municipalities
  - 1996
    - Orem Storm Sewer Utility created in march
      - Numerous findings
      - Improve water quality
      - Protect health and safety of public
      - Enhance water availability
      - Reduce flooding potential
  - One of numerous unseen utilities

- Infrastructure used to convey storm water runoff
    - 87.1 miles of pipe
      - Range from 6” to 54” diameter
    - 1,759 sumps
    - 36 Detention basins
    - Many privately managed structures
- Storm Water Pipes and Detention Basins (map)
- Storm Water Sumps (map)
- Purpose of Master Plan
  - Contracted with Bowen/Collins & Associates, Inc.
    - Provide recommended improvements to resolve existing and projected future deficiencies in the City’s storm water system based on the adopted General Plan.
    - Conduct a Rate Study to recommend storm drain rates for the City
    - A working document
- Scope of Project
  - Conduct a thorough analysis of City’s storm water utility system and its ability to meet the present and future storm water system needs.
    - Review
      - Existing InfoSWMM model
      - Known deficiencies with city staff
    - Collect
      - Supplemental data to update model
    - Modify
      - Existing InfoSWMM model for future conditions
    - Develop
      - Hydrologic model based on a 10-year storm
      - Solutions to existing and future deficiencies and prioritize with staff
      - Solutions to protect wellhead protection zones and prioritize with staff
      - Utility rate options for the city.
    - Outreach
      - Public Works Advisory Commission
      - Public open houses to communicate needs to the public
      - Mailers to city residents
      - Website with planning information
- Wellhead Protection Areas (map)
- Model Results (North) (map)
- Model Results (South) (map)
- Proposed Projects (North) (map)
- Ten-Year CIP Plan
- Proposed Project Costs (\* indicates present value)
  - Major Conveyance Facilities (Pipelines)
    - 144 projects (New, Parallel, Reroute, Upsize)
    - \$54.6 million\*

- Open Channel Improvements (Irrigation Ditches)
  - 1 project, Modify
  - \$41,000\*
- Detention Basin Improvements
  - 24 projects (New, Modify)
  - \$6.5 million\*
- Culvert Improvements
  - 3 projects
  - \$216,000\*
- Storm Water Utility Funding
  - Storm Water Fee
    - Based on amount of impervious surface.
    - Equivalent Service Unit (ESU)
      - Equal to the average impervious surface of a residential property.
        - 1 ESU = 2,700 sq. ft.
        - \$5.25 per ESU (Current rate)
  - All single-family units are charged 1 ESU per month.
  - Businesses are charged according to their impervious surface area
    - Example: A business with 27,000 sq. ft. of impervious surface (e.g., roof, parking lot, walk ways) would be charged for 10 ESUs, or \$52.50/month
- Other Cities (chart)
- Revised Storm Water Rates
  - Scenario 1 – Increase over 5 years
  - Scenario 2 – Increase over 7 years
  - Scenario 3 – Increase over 10 years
- The Path Forward
  - Final review by the community and City Council
  - Finalize Master Plan and appendices
  - Formal presentation to City Council
    - Adopt Storm Water Master Plan
    - Adopt new storm water rates

Mr. Price said the Environmental Protection Agency (EPA) was mandated by Congress in 1987 to control certain storm water discharges. In 1990, Utah issued the first permits to large municipalities like Salt Lake City and in March of 1996 Orem created the Orem Storm Sewer Utility. The Orem Storm Sewer Utility was created to protect Orem's underground water resources from contaminants, improve water quality, protect the health and safety of the public, enhance water availability, and reduce flooding potential during storm water conditions. Mr. Price said the storm water utility was part of the unseen infrastructure system in Orem that people did not readily think of. In response to a question from the Mayor, Mr. Reed identified the locations of City detention basins and sumps.

He said the Master Plan was a working document, and the prioritization of projects could change. He said Bowen Collins & Associates was asked to review the existing model and to address any known deficiencies using a newly developed hydrological model. They would also conduct a rate study to provide some options to determine what consumers should be charged for the use of the utility.

Mr. Price then reviewed wellhead protection zones, saying that when storm water ran off the road into the sumps there was a potential for pollutants and debris to be collected into the sumps, which could then percolate into the low aquifers. They did not want that to happen, and so protecting wellhead areas was extremely important. Wells were used to supply drinking water, so they did not want anything to contaminate the wells. They were hoping to pipe the water away from wellhead protection areas, instead of relying solely on sumps to manage the storm drainage.

Mr. Price said the outreach effort was important to the process. They sent out mailers and held a series of open houses to communicate with the public and receive public feedback. They had a website, [utilities.orem.org](http://utilities.orem.org), with information for the public to review.

Mr. Davidson asked if the connectivity of new piping would change retention basins, or if they would still be used as part of the new system. Mr. Price said they would still be used, and more detention basins could potentially be added.

Mr. Tschirki said they had spoken with the Taylor family who operated Cherry Hill Farm, which had a conservation easement and agricultural protection overlay, about the major storm drain system that flowed through their properties. An additional forty-two inch storm drain line was needed in the effort to maintain a pristine ground water source. They needed to eliminate storm water injection in the wellhead protection areas, and that could come at a high price.

Mr. Price said they would use a mixture of sumps and detention basins in wellhead protection areas, and they would do what they could to keep costs low while still protecting underground water sources. He said the proposed projects had been prioritized as high, medium, and low priority, which were represented on the map as red, orange, and yellow respectively. Mr. Price said they had given a lot of thought to how to remove the water from those areas. He said the prioritization was in part based on the funding system that was suggested, which was to fund everything to a sustained inflation point. He said the project list would change based on the decisions of the City Council in how aggressively they wanted to address the projects.

When Mayor Brunst asked about a project near 1200 North, Mr. Price said the 1200 North project was slated for 2018, depending on the prioritization plan and funding. Mr. Price said they had been working on a thirty year plan, but had only prioritized the first ten years. He anticipated that the prioritization process would continue through the years based on needs and costs. He reminded the Council that storm water utility fees were based on the amount of impervious surface a given resident or business had, accounted for in Equivalent Service Units (ESUs). One ESU was equal to 2,700 square feet of impervious surface, which had a fee of \$5.25 at the current rate. Impervious surfaces included driveways, rooftops, sidewalks, etc. Mr. Price said businesses were charged differently than residential, because they typically had a more ESUs. A business that kept storm water clean by following specific criteria could receive a credit for those efforts. He said Costco, for example, was a business with 264 ESUs that regularly received credits for keeping storm water as free of contaminants as possible. Businesses were encouraged to take advantage of the credit opportunities.

Mr. Price showed a chart comparing the storm water fees for residential customers with other Utah municipalities, with Orem being among the lowest in amount. He shared charts detailing the possible five-year, seven-year, and ten-year scenarios. He said the five-year scenario would

see the ESU cost go from \$5.25 to \$6.65, an increase of \$1.40. The consultant suggested that jump to front end load to meet the proposed prioritization schedule.

Mr. Macdonald asked for a comparison on the municipality chart with an increase to \$6.65. Mr. Price said that would put Orem closer to South Jordan's current rates.

Mr. Macdonald inquired about the numbers listed at the bottom of the scenario charts, listed as "effect on CIP." Mr. Price said those numbers were to capture the amounts that would be lost in purchasing power by delaying the increases. In the seven-year scenario, that amount was around \$699,754, and the ten-year scenario showed a loss of approximately \$1.6 million. Mr. Price said the path forward would be to finalize and adopt the Storm Water Utility Master Plan and select the rate structure.

Mr. Davidson said the full copy of the report had been emailed to the Council so they would have time to review it prior to consideration of adoption in the second meeting in January. Staff wanted the Council to be aware of the timeline. He asked them to consider how it would fit with the overall philosophical discussion about moving forward with fees.

Mr. Seastrand asked if the motivating factor to updating this particular master plan was wellhead protection. He asked if there were other ways to tackle the issue. Mr. Davidson said there were several mandates that required the City to act. It was not just about building pipes but educating the public on how storm water would need to be handled.

Mr. Tschirki said fifteen years ago there was not a storm water utility. The main focus was on managing storm water quantity and preventing private property damage, as well as protecting the natural groundwater resources. The mandates from the EPA continued to progress and water quality issues were a priority. There were over 2,000 public sumps, and they were looking at eliminating over half of them in an effort to maintain pristine aquifers.

Mr. Seastrand asked what the pollutants were and if they were seeing an increase in them. Mr. Tschirki said salt, oil spills, heavy metals and other fluids from automobiles, and other debris were typical pollutants. He felt the level of pollutants in storm water was increasing, but did not have measurable data to back that up. He said there were innovative changes in sumps that could help, where pretreatment manholes allowed solids to settle in the system and jetvac equipment was used to pump it out. They used those to target areas with high levels of concern.

Councilwoman Elect Debby Lauret asked about mandates from the EPA and what was absolutely required. Mr. Tschirki said they were attempting to meet the base level requirements. Much of the plan correlated with sump elimination and protecting wellhead areas.

Mr. Davidson said they would stagger into compliance with EPA requirements based on their timetable. He said they were seeing increasingly high standards, particularly for larger municipalities.

Mr. Larson said regulations were constantly evolving. A lot of projects were not specifically federally mandated, but progress needed to be shown. He said one good thing going for Orem was that everyone was in this situation to keep up with the regulations. Making steps in the right direction was more what they looked for.

Mr. Davidson asked what negative outcomes could result if the Council decided it was too expensive to make the changes to meet the EPA mandates. Mr. Larson said direct defiance of EPA mandates would not be received well. Mr. Tschirki added that not making the necessary changes would continue to put Orem's drinking water source at risk.

Mr. Davidson asked if the plan was to pay-as-you-go or to finance up front. Mr. Price said they intended to finance with a pay-as-you-go option.

Mr. Macdonald asked (1) if bonding had been discussed; and (2) the approximate lifetime of the assets. Mr. Larson said almost all of the upgrades had a fifty year life expectation or more. He said that they had generally been instructed to look only at a pay-as-you-go option. Mr. Macdonald commented that most of these expenditures had been delayed during the lean years, and now was the time to pay for what would be needed in the next fifty years.

Mr. Tschirki said they thought the plan was palatable and responsible but could be accelerated if that was the direction the Council wished to go.

Mr. Lentz asked if any unit that was not residential was charged as a business, be it a school or state-owned unit. Mr. Price said the rates were based on ESUs, and typically businesses had more ESUs.

Mr. Tschirki said the storm water utility had never been built out to the extent of the water or sewer utilities. There was no pipe network that went into all areas, so they had relied on detention basins and sumps. They hoped to have a more fully developed storm water utility system.

Mr. Davidson said those updates were not a solution to solve every storm issue in Orem but to address many of them and come into compliance with federal regulations.

Mr. Tschirki said infrastructure would not be replaced in a set timeframe, but as needed. They would do things in the most cost effective way they could, including the lining of pipes to increase their life time and use the most optimal technology.

#### DISCUSSION – Neighborhood Plan (Canyon View, Orchard, Cascade)

Mr. Bench said neighborhood plans had been in the works since last year, and would eventually yield ten individualized plans for specific neighborhoods. The first neighborhood plan involved the three neighborhoods of Canyon View, Orchard, and Cascade. He said approximately 10,000 mailers had been sent to invite neighbors to be a part of the neighborhood planning process. He said Mickey Cochran and Diane Fraser were some who answered that invitation, and they were in attendance to answer questions from the Mayor and Council. He turned the time over to Mr. Stocksdale for the presentation.

Mr. Stocksdale reviewed the four major goals of neighborhood planning:

- Support the City Council's Areas of Focus
- Promote community planning by identifying local needs and concerns
- Improve City communication with residents

- Apply city-wide plans to the neighborhood level

Mr. Stocksdale said the public input had been included through:

- MindMixer and mySidewalk.com
- 3 Neighborhood meetings
- 3 Back-to-school nights
- An advisory committee

Mr. Stocksdale said these processes gave the residents and business owners a sense of ownership in the planning. He shared the list of advisory committee members, which included representatives from schools, business, and the neighborhood residents.

Diane Fraser, a member of the advisory committee from the Canyon View neighborhood, said she was impressed with the people who had presented to the committee, and she felt the City wanted to listen to the residents and wanted to do things in an orderly manner. She said citizens were able to express their opinions and to be heard.

Mickey Cochran, a member of the advisory committee from the Orchard neighborhood, said he had always been politically active, and when the opportunity came up he thought it was a great thing to do. He said they attended meetings and went to back-to-school nights, and interacted with a lot of different people and really enjoyed doing it. He said there was a lot of lively discussion, especially about the dog park, and he thought most of those who served on the committee wanted to stay involved in one way or another.

Mr. Seastrand asked if there was good cross representation from the neighborhood. Mr. Cochran said there was a wide spectrum represented, especially at the back-to-school nights. He said that by getting people onto the mySidewalk platform they had made contacts that they were still involved with. Ms. Fraser added that the different neighborhoods were represented in the committee, and people's area of expertise and experience brought in information that might not otherwise have been introduced.

Mr. Seastrand if there were any parts of the plan that were still controversial or if it represented a pretty good consensus. Mr. Cochran said he felt it was as strong representation of what people wanted. He said people were mainly concerned with preservation of their communities, improving traffic, improving parks, and finishing sidewalks.

Mrs. Black said the members of the committee had felt safe in expressing their opinions.

Mr. Stocksdale said it was a community-driven process, and he appreciated the citizen involvement. He said it was a vision from the people of what they wanted to see. The purpose was to advise staff and the Planning Commission and the City Council as new projects or challenges arose. They had identified neighborhood strengths and weaknesses, housing, population growth, land use, transportation, and neighborhood character.

Mr. Stocksdale said the goal was to get through all the neighborhood plans in about five years and then to go back and review them. He said they were currently working on the

Northridge/Heather Ridge/Windsor plan and that the Aspen and Timpview neighborhoods would begin their plan in the new year.

Mayor Brunst asked about specific projects that may have been mentioned.

Mr. Stocksdales gave the example that 800 North at about 1000 East was missing a needed sidewalk. That funding was put in place as a result of the committee meeting, because that item was mentioned many times and they were able to do something about it.

A summary of Canyon View, Orchard & Cascade Neighborhood Plan included:

- Orem Neighborhood Plans Program – Purpose
  - Support the City Council’s Areas of Focus
  - Promote community planning by identifying local needs and concerns
  - Improve City communication with residents
  - Apply City-wide plans to the neighborhood level
- Public Outreach
  - MindMixer & mySidewalk
  - 3 Neighborhood Meetings
  - 3 Back to School Nights
  - Advisory Committee (Committee members listed)
- Vision Statement
  - “Enhance our quality of life by improving public safety and awareness; expanding transportation options through making streets safer for pedestrians, children, and bicyclists; increasing access to parks and open space; and making wise land use choices to consider future growth as we create homes that support the preservation and beautification of our neighborhoods.”
- Neighborhood Concerns
  - Neighborhood preservation, clean up, and beautification
  - Maintain low density nature of neighborhoods
  - Traffic congestion and speeds on neighborhood roads
  - Improving walkability and safety, particularly around schools and parks
  - Increase access to parks and trails while improving the quality of parks
  - Develop or beautify vacant lots throughout the neighborhoods
- Housing Statistics
  - Single Family Homes – 93%
  - Accessory Apartments – 2%
  - Attached Homes – 4%
  - Duplex – 1%
  - Homeownership Rates
    - Neighborhoods Owners – 86
    - Neighborhoods Renters – 14
    - Orem Owners – 62
    - Orem Renters – 38
- Land Use
  - Existing Conditions:
    - Largely Single Family Housing
    - Commercial/Office uses on 800 North



- Parks built adjacent to schools
- Future Considerations:
  - Infill development on vacant lots and orchards
  - Balance access to open space and parks; encourage new open space development
  - Increased density through attached homes and accessory apartments
  - Development of churches on existing lots
  - Use of Professional Office (PO) zone on 800 North
- Transportation Concerns
  - Improve safety around schools and parks
  - Improve nonvehicle transportation options and safety, including for bikes and pedestrians
  - Improve trail and sidewalk facilities
  - Maintain traffic capacities on major streets and utilize traffic calming techniques in the neighborhoods
    - Neighborhood Traffic Calming Tools
      - Reduce speeds on local roads while preserving traffic flow
      - Enhance pedestrian and bicycle safety
      - Improve crossings near schools
      - Traffic circles; raised crosswalks; bulb-out crossings; island medians
- Implementation
  - Vision Statement > Goals > Objectives > Actions
  - Timeline Horizons:
    - On-Going – Continuous
    - Short-Term – 0-2 Years
    - Mid-Term – 2-5 Years
    - Long-Term – 5+ Years

#### DISCUSSION – 2015 International Energy Conservation Code

Mayor Brunst introduced Don Jarvis, chair of the Utah Valley Clean Air Task Force and chair of the Provo City Sustainability and Natural Resources committee.

Mr. Clark said Orem participated on the Utah Valley Clean Air Task Force. Other participants included Provo City, MAG, BYU, Utah County Health Department, UCAR, the American Lung Association, UV Chamber, and various private businesses representatives. The Task Force was asking the City to execute a resolution in support of a change in the building code that would be coming up in the legislature in January. The Legislature would be considering the 2015 International Energy Conservation Code.

Mr. Clark said the Task Force was concerned about inversions, which had a negative effect on health and on economic development. Businesses have been driven away by the air quality in Utah Valley. The legislation to be considered would make changes in building codes, since homes and buildings account for 39 percent of air pollution in Utah. The new code would help reduce pollution from new homes being constructed. This would add some cost to new construction but the home owner would get that back within two years in energy savings.

Mr. Macdonald asked if the new code would be statewide if passed the legislature. Mr. Clark said it would.

Mr. Jarvis said Provo had passed a resolution similar to the one being proposed for Orem. He said the changes would not only affect air quality but would have a positive effect on energy and heating bills.

Mayor Brunst asked where the proposed code could be found. He was concerned that different areas in the world were different and preferred that the code be site specific.

Mr. Bell said the State had already adopted the 2012 international code but was still using the 2006 energy code for residences. That needed to be changed.

Mr. Jarvis said people should not be concerned that it was an international code. It should be much more stringent here than it would be in other areas of the country. He felt it could be a base to build on. The Legislature was poised to adopt most of it with some compromises which would weaken it a bit. The resolution from the cities would ask the legislature not to weaken it too much.

Mayor Brunst asked what the realtors thought of the new code. Mr. Jarvis said the new chair of the Utah County Association of Realtors was in favor of it. He said most realtors sold both old and new homes and were fairly neutral concerning the code. Old homes had to have an energy rating for sale while new homes did not, which was what builders did not want to change.

Mr. Sumner asked how that would help the inversion over ten years. Mr. Jarvis said there were federal standards to improve pollution from automobiles in the future, so a higher percentage of the pollution would be coming from homes and buildings, and that needed to be addressed.

Mr. Bell said that every year the federal energy codes had slowly gotten tighter. Utah was behind most other states in the country because home builders had been lobbying against stricter codes. Now, rather than gradual changes, Utah needed some big changes.

Mr. Clark said many builders had been implementing the codes for several years, regardless of mandate, because of the benefits of a good, energy-efficient home.

Mr. Macdonald asked for clarification about the cost per home. Mr. Clark said it would depend on size and whether or not there was a basement, etc.

Mr. Jarvis said the important thing was to encourage the legislature to address the code and they could adapt it as they saw fit. He said code updates used to be done every three years, but the home builders had lobbied against that. This update would save people money in the long run and would be good for the economy, but people did not always look ahead.

Mr. Davidson said it might be good to note the percentage of state legislators who had some interest in development and home building activities. In the long term the list of benefits would far exceed the negatives.

Mr. Lentz asked if it would be up to the cities to police the new policies. Mr. Bell said it would not because the homes were already being inspected. Mr. Jarvis said the inspectors often encouraged that people to meet the newer standards anyway.

Mrs. Black asked how Mr. Jarvis got involved. He said he was head of Provo's sustainability committee, and was therefore interested in improving the air quality.

Mayor Brunst said his first home was built in 1861 and had many energy leaks. The home he was in now was much larger but he paid similar energy costs because it was more energy efficient. He said that also kept the emissions down.

Mr. Jarvis said that was the goal. He said it was almost impossible to retrofit, but things could be done moving forward. He said houses could last 150 years, so it was important to make these changes. Mr. Clark said it was noteworthy that even the utilities were interested in higher energy standards and offered rebates for upgrades. He said those improvements should happen up front.

#### UPDATE – All-Together Playground

Mr. Downs said the overall theme was "Where everybody plays." "Playgrounds by Leather" had been chosen to design it. He said most of the cost would be covered by community involvement. The City was partnering with United Way, who were planning to build during the week of the "Day of Caring," the first full week in September. The City was also working with Kids on the Move to help identify the types of needs for the children. Habitat for Humanity also would be supplying some full-time people to help. It would be built at City Center Park.

Mr. Downs said the designers would hear the ideas of the children and implement those in their plans, and a community celebration would take place to show the design. He said that Brian Regan has pledged some of his ticket sales from his March concert to the project. His shows were sold out and would potentially generate about \$19,000.

Mr. Downs said The Jimmer Foundation would sponsor a three-point-a-thon and pledge a dollar for every three pointer. Many corporations have been interested, but without the concept it was hard to know the funding issues.

Mr. Hirst said more businesses could get involved once the design came forward. They would buy a specific part of the plan.

Mr. Downs said most parks had a plaque specifying large sponsors. He said Excel, Fantastic Sam's, and others wanted to be involved.

Mayor Brunst said Zions Bank and Frontier Communications in Provo were also interested in helping. Mr. Hirst said the size had grown, they didn't really know what they were getting into when they started but the energy was building. Mr. Downs said had they known the full costs, the requests would have been different.

Mr. Bybee said they had a template email that anyone interested could forward along.

Mrs. Black wondered if the City would you ask for more money in the next round of CARE grants. Mr. Hirst said they were hoping to cover the costs with donations, but they would have to wait and see. He said the bathrooms were also an issue, and they needed to be redone.

## **5:00 P.M. STUDY SESSION – PUBLIC SAFETY TRAINING ROOM**

### **CONDUCTING**

Mayor Richard F. Brunst

### **ELECTED OFFICIALS**

Councilmembers Hans Andersen, Margaret Black, Mark E. Seastrand, David Spencer, and Brent Sumner

### **APPOINTED STAFF**

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Paul Goodrich, Transportation Engineer; Keith Larson, Traffic Operations Engineer; Sam Kelly, Engineer; Neal Winterton, Water Division Manager; Reed Price, Maintenance Division Manager; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

### **EXCUSED**

Tom Macdonald

#### **Preview Upcoming Agenda Items**

Staff presented a preview of upcoming agenda items.

#### **Agenda Review**

The City Council and staff reviewed the items on the agenda.

#### **City Council New Business**

There was no City Council new business.

Mr. Davidson spoke to the nature of minutes. He said it was a misrepresentation that minutes should be word-for-word.

Mr. Stephens said the requirement was that it was a summary of the main points discussed at the meeting, who spoke, a summary of what was said, and the vote. He said it definitely was not a verbatim transcription of the meeting.

Mr. Davidson said meetings were recorded and those recordings were available. He said pending minutes could be provided to the public upon request before they were approved. He said that in the future meetings would be streamed lived and archived online.

Mr. Downs said there would also be some painting done in the council chambers and a new City seal would be installed behind the dais along with some sounding boards to improve the sound quality for broadcasting.

Mr. Tschirki previewed his presentation about the sewer base rate changes. Mayor Brunst said it was a big change, it was a fairness issue, but he anticipated much public comment.

Mr. Winterton said they would be working on educating in the next six months before implementation. And typically those who were upset at the beginning came to an understanding of the need.

The Council adjourned at 5:53 p.m. to the City Council Chambers for the regular meeting.

### **6:00 P.M. REGULAR SESSION – COUNCIL CHAMBERS**

#### **CONDUCTING**

Mayor Richard F. Brunst

#### **ELECTED OFFICIALS**

Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner

#### **APPOINTED STAFF**

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Paul Goodrich, Transportation Engineer; Sam Kelly, Engineer; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

#### **INVOCATION / INSPIRATIONAL THOUGHT PLEDGE OF ALLEGIANCE APPROVAL OF MINUTES**

David Christopherson  
Samuel Pollard

Mr. Seastrand **moved** to approve the September 8, 2015, City Council meeting minutes. Mr. Macdonald **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. Those voting nay: Hans Andersen. The motion **passed, 6-1**.

Mr. Seastrand **moved** to approve the September 22, 2015, City Council meeting minutes. Mr. Macdonald **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. Those voting nay: Hans Andersen. The motion **passed, 6-1**.

Mr. Seastrand **moved** to approve the October 13, 2015, City Council meeting minutes. Mr. Macdonald **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. Those voting nay: Hans Andersen. The motion **passed, 6-1**.

Mr. Seastrand **moved** to approve the October 27, 2015, City Council meeting minutes. Mr. Macdonald **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. Those voting nay: Hans Andersen. The motion **passed, 6-1**.

Mr. Seastrand **moved** to approve the November 10, 2015, City Council meeting minutes. Mr. Macdonald **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. Those voting nay: Hans Andersen. The motion **passed, 6-1**.

Mayor Brunst asked Mr. Davidson to review the information he had shared in the work session regarding the requirements for the minutes. Mr. Davidson deferred to Mr. Stephens. Mr. Stephens said the minutes were supposed to be a summary of what happened in the meeting and were not supposed to be a verbatim transcription. He said State law indicated they should include the substance of matters proposed, discussed, or decided, and also the substance in brief of the testimony or comments provided by the public.

## **MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL**

### Upcoming Events

The Mayor referred the Council to the upcoming events listed in the agenda packet.

### Appointments to Boards and Commissions

There were no appointments to boards and commissions.

### Recognition of New Neighborhoods in Action Officers

There were no new neighborhood officers recognized.

### Mayor Pro Tem

Mayor Brunst **moved** that Councilmember Seastrand serve as the new Mayor Pro Tem. Mr. Macdonald **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

### REPORT – Arts Council

Ms. Crozier introduced the members of the Arts Council. They included: Cody Hale from Hale Center Theater, chair; Casandra Barney; Cindy Clark; Cody Clark; Debby Lauret; Kate Monson; Peggy Philbrick; Ray Smith; Barry Merrell; John Reinhard; Nancy Peterson; Joseph Sorenson; and Adam Robertson, representing the SCERA. She thanked them for their service and expressed how passionate they each were about the Arts in Orem.

Mr. Hale said the Arts Council had gone through many changes in the past year. He said the Arts Council had previously been a presenting organization, presenting things to the public. As a result of some of the changes, they now referred to it as Orem Arts Council Create! The difference was that instead of completely presenting things, they hosted participatory events. Those events had included:

- the Orem Stories Project, which included history, writing, and art
- a Jazz concert and jam session for high school students
- the “Play in a Day” event involving mostly junior high aged students and younger

Mr. Hale said the next event would involve dance. He then reviewed some of the events they had been part of with the City Center Stage concerts and Summerfest. They had also worked with City planners on the State Street Master Plan regarding creating an arts district.

Ms. Lauret said she appreciated the free events for families and commented on the amount of talent in the area. Mr. Hale agreed with that, saying he felt this valley was the hotbed of talent for the world. He said the Arts Council wanted to keep fostering opportunities for those talents to grow and improve.

Ms. Crozier thanked the arts providers in Orem who had not charged for their professional services or their facilities. She expressed appreciation for the corporate sponsorship they had received from Wayfair.com and were looking to expand that in the future. She also thanked Mrs. Black for her service to the Arts Council over the years.

#### Utah Valley Women’s Initiative

Glynis Tolerico represented the Utah Valley Women’s Initiative which was founded by Dr. Paula Fellingham. She said organization hoped to get the initiative in all the cities in the Utah Valley. At the foundational meeting in October they had discussed the major problems that kept “Happy Valley” from being as happy as it could be for thousands of women who lived there. They identified the following as primary problems:

1. Women felt inadequate or alone, unfulfilled and lacking purpose
2. Women were addicted to a variety of things, i.e. eating, drugs, exercise, work, etc.
3. Women did not feel as safe as they would like to feel
4. Women lacked healthy relationships and many struggled loneliness
5. Women were starting, but often not finishing, educational degrees

Ms. Tolerico said the initiative was formed to help create solutions, both short-term and long-term. She said the initiative would officially be launched on January 15, 2016, at the SCERA. She said representatives to the initiative would:

- meet monthly to discuss the issues and solutions, with presentations from experts
- present free monthly educational and uplifting events for women in the valley
- collaborate with services and businesses to support women
- publish a Utah Valley Resource Guide to help women connect with those services
- provide programs to help women in all seven areas of their lives
  - mental
  - physical
  - emotional
  - social
  - spiritual
  - financial
  - relational

Ms. Tolerico said the program also helped families, offering books, a guidebook, DVDs and CDs as well as family meetings. It used surveys at the beginning and the end to assess family strengths, weaknesses, and progress. She said the Utah Valley Women's mission was to strengthen women and families in the valley. Their motto was: "We are women helping women live our best lives." She invited Councilmembers and their spouses to attend the launch of the program.

*\*\*Mr. Seastrand left the meeting at 6:28\*\**

## **CITY MANAGER'S APPOINTMENTS**

### Appointments to Boards and Commissions

Mayor Brunst **moved** to reappoint Karen Jeffreys to the Planning Commission. Mr. Spencer **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, David Spencer, Brent Sumner. The motion **passed unanimously**.

## **PERSONAL APPEARANCES**

Time was allotted for the public to express their ideas, concerns, and comments on items not on the agenda. Those wishing to speak should have signed in prior to the meeting, and comments were limited to three minutes or less.

Carolyn James, resident, said she represented the Chauntenettes women's chorus. She shared a history of the chorus and thanked the City for the CARE program funds that allowed them to purchase new sound equipment, music, bells and costumes. She said they had to hold a concert in the American Fork Tabernacle because there was not a large enough venue for them in Orem. She thanked Mrs. Black for all her support to the chorus and to the arts in Orem and presented her with a thank-you gift.

Ann Morey, resident, said she was opposed to the proposed zoning change at 800 West 800 South. Her concerns included:

- Proximity to her home.
- Traffic
- Parking
- Crime
- Density of the project

Ronald Jones, resident, said he also lived close to the proposed ICO development. He said he was especially concerned about the safety of area children crossing the street near such a dense development. It was easier to stop something from happening than to undo something that was already done.

Jennifer Webber, resident, spoke about two Utah State Traffic Codes: Title 41, Chapter 6A, Part 4, Section 401.3 and Section 401.7. She said she was a crossing guard and had been hit by a car and severely hurt. The City of Orem did not fully uphold state traffic codes and would not be



prosecuting the hit-and-run driver. Ms. Webber said the prosecutor and police should be upholding the law.

Rebecca Daily, resident, spoke in honor of Hans Andersen and his service to Orem. She presented Mr. Andersen with a “Mr. No” plaque for his efforts to point the city in the right direction.

Melodee Andersen, resident and Hans Andersen’s wife, honored her husband as a statesman, saying he knew the proper role of government. She said he was unpopular among progressives. She asserted that the City did not tell the people the whole truth. She awarded Mr. Andersen with a plaque naming him “Mr. Know” because he wanted the citizens to know the truth.

Brent Wood, resident of the Sunsets Heights neighborhood, talked about the high density housing project and said the neighborhood should be renamed “No Sunset Heights” because the building would block the view of the residents in that area. He expressed concern about the short length of leases being proposed and insufficient parking requirements

Barbara Petty, resident, read a letter to Hans Andersen from five residents which thanked him for his service and for his perseverance in doing the right thing and putting principle over profit.

## **CONSENT ITEMS**

### MOTION – 2016 Annual City Council Meeting Schedule

Mrs. Black **moved** to adopt the 2016 Annual City Council Meeting Schedule. Mr. Andersen **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

## **SCHEDULED ITEMS**

### 6:00 P.M. PUBLIC HEARING – Sewer Base Rate

### ORDINANCE – Amending the sewer base rate for multiunit residential buildings and for nonresidential buildings with a water meter size greater than $\frac{3}{4}$ ”

Mr. Tschirki and Mr. Winterton presented the recommendation that the City Council, by ordinance with an effective date of July 1, 2016, (1) charge a sewer base rate for each residential living unit, and (2) amend the sewer base rate for nonresidential buildings having a water meter size greater than  $\frac{3}{4}$ ”.

The City of Orem currently charged a monthly “sewer base rate” for city sewer services. This charge was the same for all land uses and was charged based on the total number of physical sewer connections that serviced the account, regardless of the number of residential or nonresidential units associated with that account. That meant, for example, that an account holder with a 12-plex with one sewer connection paid the same sewer base rate as a single-family homeowner. Furthermore, a large commercial business paid the same base rate that a single-family homeowner paid. The sewer base rate was intended to compensate the City for the cost of making sewer service available at a particular connection point, including costs related to

infrastructure and maintenance. The “sewer volume charge” was a separate charge that was based on actual sewage flow and was intended to compensate the City for the cost of handling and treating the user’s quantity of sewage flow.

#### Summary of Proposed Amendments:

Effective July 1, 2016, the City of Orem sewer base rates will change as follows:

1. Each residential living unit found in a single-family dwelling, multifamily dwelling, apartment complex, condominium complex, etc. will be charged a sewer base rate. In other words, a 12-plex would now be billed for 12 sewer base rates and not 1 sewer base rate.
2. Nonresidential accounts will be charged a sewer base rate according to their water meter size and the associated industry standard American Water Works Association (AWWA) equivalent meter information.
3. Mixed-use developments will be charged by combining these two methods—paying for each residential living unit plus the equivalent meter size necessary to service the nonresidential portion of the building.

The sewer base rate for single family residences and the sewer volume charge remain unchanged.

The new fees and charges information would read as follows:

#### Monthly Sewer Rates

Residential Base Rate <sup>1</sup>	\$9.32/Residential Living Unit (unchanged)
Nonresidential Base Rate <sup>2</sup>	\$9.32 x AWWA Multiplier
Mixed-Use Base Rate <sup>3</sup>	\$9.32/Residential Living Unit + Nonresidential Component
Volume Charge <sup>4</sup>	\$1.42/1,000 Gallons (unchanged)

<sup>1</sup> Each residential utility account will be assessed a sewer base rate according to the number of residential living units associated with the account. For example, a single-family dwelling will be billed for 1 sewer base rate, a duplex (including single-family dwellings with an accessory apartment) will be billed for 2 sewer base rates, a 4-plex will be billed for 4 sewer base rates, a 12-plex will be billed for 12 sewer base rates, etc.

<sup>2</sup> All nonresidential utility account holders will be billed using a water meter size multiplier based on American Water Works Association (AWWA) guidelines. (Table 28-2 from American Water Works Association Manual of Water Supply Practices M1 – “Principles of Water Rates, Fees, and Charges” for water meters up to 3-inches in size and Table 2-2 from American Water Works Association Manual of Water Supply Practices M6 – “Water Meters – Selection, Installation, Testing, and Maintenance” for water meters larger than 3-inches in size.) The following table details the AWWA Multiplier for various water meter sizes.

Water Meter Size	¾"	1"	1½"	2"	3"	4"	6"	8"	10"
AWWA Multiplier	1.00	1.67	3.33	5.33	10.00	20.00	41.67	53.33	96.67

<sup>3</sup> Mixed-use utility accounts will be assessed according to (1) the number of residential living units and (2) the nonresidential component of the mixed-use development. The nonresidential

component is calculated by determining the equivalent water meter size required to service only the nonresidential portion of the mixed-use development using the International Plumbing Code 2012 version, Appendix E201.1 (pressure range over 60) and E103.3(2) . The AWWA multiplier associated with the equivalent water meter size will then be applied to determine the nonresidential component of the sewer base rate.

<sup>4</sup> Effective July 1 of each year, the monthly charge shall be based on the average winter water usage for the preceding winter months.

Mr. Tschirki said they had been working on this issue for about a year and a half. He said that in the Spring of 2014, Bowen and Collins had been hired to help create the Sewer, Water, and Storm Water Master Plans. In December, 2014, the concept of the sewer base rate and how it was currently being assessed was presented to the Council. In February of 2015 the City hired a GIS graduate to identify all the nonresidential and residential units within the city. He explained that nonresidential could be retail, industrial, manufacturing, commercial, etc. In August 2015, the study was completed and it was presented to the Public Works Advisory Commission (PWAC) in September.

Mr. Tschirki said the PWAC consisted of seven members, including professors, engineers, development directors and other professionals within the community, who had reviewed the study and given direction. He said the findings were presented to the Council in October and a notification to the public had been sent within the past week.

Mr. Tschirki said it was the recommendation was that the Council adopt the new policy and to implement it July 1, 2016. He said the PWAC actually recommended implementation on January 1, 2016, but then it was felt that, as per the recommendation of Council, those who would be impacted should be given six months to plan for the changes.

Mr. Tschirki explained that there were two different sewer rates in the city. One was the base rate for the connection to the sewer system, and it was based on an account basis. There were instances where multiple units were part of one account. The sewer volume rate was the “great equalizer” of the charges in that those who produced more or consumed more, were billed more. He said there were not sewer meters on the sewer laterals and so the billing was based on an industry standard of looking at internal water consumption during the winter months and using that as an average for the next twelve months. He said the typical utility service bill had two line items – the sewer base rate of \$9.32 per connection and the volume or production charge, billed at \$1.42/gallon.

Mr. Tschirki said that, before any rate increase, they looked at the current the billing process to identify any anomalies or inequities or fairness issues, and the sewer base rate be reviewed for inequities or fairness issues, and the PWAC felt like the sewer base rate was one of the most egregious fairness issues. He said the current base rate was based on an account, in other words a 12-unit complex was charged the \$9.32 which was divided by 12. In other accounts, there were much higher numbers of units, only being charged one or two base rates as it was one or two accounts.

Mr. Tschirki said that Orem currently had a sewer base rate that covered fixed costs associated with operations that did not vary. He said that at the treatment plant they treated about 8 million

gallons per day throughout the year. He said the sewer base rate was a charge for the privilege to connect to the public sewer system. The PWAC felt larger customers should pay a larger share than smaller customers. He said that, with the current structure, individual home owners were subsidizing larger customers such as commercial properties and multiunit developments.

Mr. Tschirki said the first phase of the proposed plan would be to bill every unit the sewer base rate, so a 12-plex would be billed \$9.32 times twelve. They also addressed the nonresidential component, which included commercial, retail, and industrial units, by billing them based on the meter size and a multiplier provided by the American Water Works Association's equivalent meter data. Mixed use developments would be charged accordingly by combining the two methods on a case by case basis. He pointed out that there were only three mixed-use developments in the community.

Mr. Tschirki said the study reported that there were 21,847 data base entries in the utility billing system. Of those, 20,141 residential and 1,706 were nonresidential. They also determined that there were a total of 27,472 residential units, which meant that 7,331 residential units were not being billed a sewer base rate. It was projected that, if the proposal were implemented, the proposed residential annual increase would be approximately \$800,000, and the nonresidential annual increase would be about \$300,000. Thus, the total projected annual increase would be \$1.1 million. He reiterated that the sewer base rate was for the privilege of connecting to the system and the volume rate was the great equalizer.

Mr. Tschirki said the revenues generated by the base rate and the volume rate were used to pay for any costs associated with the sewer utility, including the installation, maintenance, operation, repair, replacement, personnel, and administrative costs pertaining to the sewer mains, manholes, lift stations, treatment facility and other infrastructure. This plan would provide increased revenue as noted above, to cover these costs.

Mr. Tschirki said that the staff recommended that the City eliminate the 21 cents of the thousand gallon increase in year one, which would equate to \$600,000. This plan eliminate any subsidization that was currently occurring and would result in a \$1,68 per month reduction for the average homeowner. They also said that future increase recommendations should apply to both the base rate and the volume charge to create more equity and fairness in the billing process.

Mr. Winterton said an outreach campaign was done. They sent a mailer to every account holder, although it was a little later than they had hope, and they had used email, and a robocall. They had emailed 995 businesses and 806 multifamily units, and had contacted 2262 businesses and 1,200 multifamily units via robocall. He said he had personally fielded a lot of calls, and so had Steven Downs and their secretaries. He said the inquiries had come from single-family homes, businesses, and multifamily unit landlords and property managers.

Mr. Andersen asked when the people had received the flier. Mr. Winterton said they probably would have received their flier that very day. The email and newsletter had gone out the previous week, the information had been on the website, and they had presented this topic in a premeeting in October. Mr. Andersen asked if Mr. Winterton remembered when the City was asked to alert the landlords. Mr. Winterton said it had been in the October 2015, meeting. Mr. Andersen asked if it was not also the previous spring that they were asked to do it. Mr. Winterton said they had not received direction from the Council whether or not it was something they wanted to pursue,

so they had not sent out any notices at that time. Mr. Andersen said City had not done sent out notices until the previous five days. He said he wanted transparency when the City was doing stuff, and he felt it was lacking here.

Mr. Winterton said based on the response they had received, they felt the message had gotten out. He said they had received a lot of feedback and one of the emails had come from the Utah Apartment Association. That association said that while, they did not endorse nor dissuade, they would not oppose the change. They said the new system would be consistent with what other communities did. He said there were questions about the fairness concerning the number of sewer lateral connections, but the reality was that the City did not maintain the laterals. All utility account holders were responsible for their laterals.

Mr. Winterton reviewed the concept of peak flows and how sewer mains had to be built to accommodate them. Under the present fee structure, a single-family home paid the same rate as an entire apartment complex. He said arguments could be made that people living on a hill should pay more for snow plow services or people who lived farther from the treatment plant should pay more since the water had to travel farther in their pipe. The same storm water ESU was charged even though peoples' rooftops or driveways had different square footage. Charging the same base rate would make it fair without going into the minute details. Mr. Winterton said that, besides Provo, there were no other cities that operated the way Orem currently did—and Provo was considering making changes to how they based their rate.

Mr. Winterton shared the existing fee and charge system and the proposed system where the residential base rate was by living unit, and the nonresidential was with the AWWA multiplier. A business owner he spoke with had not completely understood how the rate would be applied, and when it was explained the man realized it was not as much as he had thought.

Mr. Winterton said there were no standards that required the City Council to follow any pattern or policy to support the water reclamation fund. The underlying principal was that the City needed the funding to support the everyday operations and everyday conveyance sewer. They had to meet the standards set forth in the permit that the City had to discharge through Powell Slough and eventually into Utah Lake, as well as to have a responsible CIP replacement program. The proposed plan was what had been recommended by the Public Works Advisory Commission (PWAC) and by the hired engineering consultants. The AWWA multipliers were established and recognized throughout the industry and country to establish water and sewer rates. He shared an extreme example that highlighted the disparity between cities, using multiple accounts for one business owner with 192 units. . The base rate for that business owner under the proposed plan in Orem would be \$1,826. Under Payson's current rate, that business owner would be paying \$6,348. In Santaquin it would be \$7,338.

Mr. Sumner asked if all those cities charged by the door. Mr. Winterton said they did, except for Orem and Provo. He said there was not one city, besides Provo, where the business owner in the example would pay less than what he would pay under the new proposal.

Mr. Winterton said that the landlord should pass the cost along to the tenants so that each unit paid its share. He said he had spoken to single-family homeowners who could not believe Orem's current system was still being used. Some people argued that the burden would be passed on to poor students with only three people living in the unit. Mr. Winterton noted there were

homes that also had only three people in residence. In the example above, with three people per unit, each tenant would be paying only twenty-five cents per month for the connection. He said the Northridge HOA had 82 accounts of full-sized, single-family homes and it was charged only about \$18 per month for all 82 units. He said mobile home accounts were similar. He explained that the system had to be maintained for the highest possible usage to avoid sewer back-ups. He said the treatment plant didn't get smaller because people flushed their toilets less; it still needed to be maintained on the same level. He said the plan was about fairness.

Mr. Sumner expressed concern that landlords would use this to substantially increase their rents.

Mr. Winterton said the system had been unfair all along and landlords had not decreased rents because of the disparity. He said they charged rents based on the market. Landlords would charge as much as they could, regardless of a sewer base rate.

Mr. Tschirki said, referring to Mr. Andersen's previous questions, the information could not be sent out in February of last year, because it had not been compiled at that point. It was at that time that the City had hired a consultant to conduct the study that took about six months to complete. They did not feel they were able to present the information until now. In the spirit of transparency, they had done what they should. They did not want to bring people together without information being available.

Mr. Macdonald said he had served with PWAC and felt there did need to be a change in the system to address the fairness issue. When he had first heard of it, he had worried about the widows, the retired, un or underemployed who had a home and were paying a higher rate than if they were in an apartment. He said it felt like a "reverse Robin Hood" to him, stealing from the poor and giving to the rich. Mr. Macdonald said the late notice was a concern to him. He had received several emails indicating that the late notice might not have allowed enough public comment. He said the emails he had received had caused him concern. He said a single-family home and did use more water for lawns than an apartment renter might use. There was less piping and less expense in apartments than in separate homes. While he believed there should an additional charge per door, he was not positive it should be the same charge as per house. He thought there needed to be more study and feedback, especially in light of things he had heard in the past week from apartment owners and apartment dwellers.

Mr. Sumner asked if Mr. Macdonald was advocating a sliding scale. Mr. Macdonald said he would like something different than what they were seeing in the proposal, and something different than what they were currently doing.

Mr. Andersen said quoted emails he had received from Marilyn Broadbent and Mark Haney, indicating that the same topic had come up in 1997 and that landlords had not been consulted at that time, either. They said that, after the threat of a lawsuit, the City had conducted a study at a cost of \$80,000, after which base rates were reduced and consumption rates were increased. Mr. Andersen proposed allowing the citizens to vote on the issue. He said it was comparable to the UTOPIA tax increase a few years back.

Mr. Macdonald clarified that the tax three years back was not a UTOPIA thing. That had been a decision on how to fund city operations, of which UTOPIA was a part. He said the citizens did not vote on UTOPIA.

Mr. Andersen said he was at a Council meeting six days after he was sworn in and he was told it was for UTOPIA. He said he was told it in a closed-door meeting

Mayor Brunst brought the discussion back to the sewer base rate. He said it was for the availability and privilege to connect to the sewer system, to cover the fixed costs and maintenance of the infrastructure. The volume charge was for the cost of treatment and for discharging the water after it was cleaned. He said that each living unit was connected to the system and therefore should be charged both a base rate and a volume rate. It was important to consider how to do it fairly and equitably. He said the proposed base rate was something that should have been looked at some time ago and adjusted.

Mrs. Black said she agreed with the Mayor.

Mayor Brunst opened the public hearing.

Fred Johnson, resident, said he had lived in Orem for more than 60 years and worked in real estate sales and development. He agreed with the Mayor that multiunit complexes should pay their fair share but he felt more time needed to be put into studying the issue.

Ray Springer, resident of Salt Lake City, said he owned a forty-four unit apartment complex in Orem. He said on the surface the plan seemed very fair, but it would increase his cost by \$382 increase, and increase he would have to pass on to his tenants.

Mark Haney, an owner of Orem apartments, said the presentation which compared costs for his business if he were located in other cities was deceptive because it only considered the sewer base rate and not the volume rate. He reviewed the history of the attempt years ago to increase the rate, noting the Council had reversed their decision. He said the base rate was never intended to cover the cost of infrastructure upgrades, but was only to cover fixed costs, such as billing. The rest of the costs were to be covered by the consumption part of the bill. He asserted that the mailer conveniently left out information about apartments using less water than single-family homes. He encouraged the Council to vote “no.

Landon Conover, resident, said he lived in a townhome community and served on the HOA for that community. He said he heard about the issue by reading the minutes he subscribed to by email, and he also learned about it on Facebook. At first he had thought it was not fair but on reading the agenda more closely he thought it was fair because bills were based on connection points. He said the volume charge was what made it all fair. He agreed with increasing the base rate because operating expenses had increased; he also agreed with Mr. Macdonald that a tiered system might be good

John Shelley, resident, said he knew that infrastructure was important to maintain. He said he lived in a basement apartment, and the proposal would mean a substantial increase for him. He was fine with everyone paying their fair share, and if costs had gone up he knew that his base rate should go up. He said he did find it misleading or unfair to say that a basement apartment would be charged an extra \$9.32.

Sarah Fuller, resident, expressed concern about the late notification, saying more work should be done to notify the public. She felt the \$9.32 per door did not fully address the aspect of fairness and felt it should be based on consumption.

Jim Fawcett, resident, said the volume charge was going to be going up. He said the City was not falling apart and failing, and this was a lot of money. He had questions about the various numbers being proposed, and wondered if an apartment owner would need to pay the \$9.32 for an empty unit. He asked if mixed-use facilities would get a better break or if they would be charged like a fourplex or an eight-plex.

Tony Cook, resident of Lindon, said he owned a business in Orem. He thought there should be more emphasis put on the commercial side of water usage and whether that water was returned. He felt the City had been fair and hoped they would continue to be. He felt a per-door fee was fair. As the owner of a greenhouse that watered a lot of plants and did not return a lot of water into the sewer system, he felt that should be considered. He knew a scale system for every hookup was difficult, but there might be a few worth reviewing.

Sam Lentz, resident and councilmember-elect, responded to Mr. Fawcett's question of what the City had been doing before any increases. Mr. Lentz said the City had been going into debt. He hoped that would not continue and not continue passing debt on to future generations. He said the current path was not sustainable. He said he recognized that the plan was not perfect and might need more time to review. It might be good to consider charging by the size of the connection, using the multiplier across the board.

John Reinhard, resident, said studies he had read reported that high-density housing was used to subsidize single-family home costs. He said this would be the same thing. He liked the idea of tabling the issue and giving some more time to look at options. He said he liked Mr. Lentz's suggestion of going solely on the size of the connection. He did not think the system was fair the way it was, but the proposal might be swinging the pendulum too much in the other direction. He said it was wise to take care of the issue now before the new housing units were all completed.

Scott Blackham, resident, owned commercial property in Orem. He said he was charged \$45 a month for storm sewer, but every time there was a storm the water came up over the gutter and into his parking lot. He had called the City to ask what he was paying for and was told the City had dug a hole, filled it with gravel, and put a grate over it, and that was his storm sewer. He wanted to know why he was still paying for that after fifteen years. He said this looked like a tax increase to him. He said the City should raise the taxes the same for everyone. He asked what the \$1.1 million would be used for. He said Orem did not need to be like other cities.

Daniel Broadbent, Provo resident, said he owned rental property in Orem. He said the fair way was to charge a base fee for billing, and base the rest on consumption. He felt the study had proved that eighteen years ago, and if the current rates were not covering costs, then the consumption fee needed to be adjusted. He felt the proposal was targeting landlords. He thought they might examine raising the base fee for a larger hook-up, but believed the majority of the expense of the sewer system would be covered by an increase in the consumption fee.

Conrad Diamond, resident, said he had received an email the previous week and seen the flier that day. He said fairness depended on the perspective of the person looking at it. He realized



there were issues in trying to meter use on the sewer system vs. use on the water supply. He felt the per-door approach seemed reasonable, even if not perfect. It was important to take care of the system upfront rather than wait and have to do repairs.

Mayor Brunst closed the public hearing.

Mayor Brunst said the purpose of the proposal was to make the system fairer, and raising the consumption fee for everyone would not address the fairness issue between homes, rental units, and commercial buildings. He said the base fee was not just for the infrastructure, it was the right to hook up to and to use the system, sharing the sump costs and the fixed costs. He felt the base fee going against a living unit was the proper and just way to address it. If the City did not fund maintenance, there would be problems and backups. Orem's rate was one of the lowest in the state, around one-half or one-third what nearby cities charged. While he understood the proposal would affect those in apartments, those living in a home were expected to pay for the same sewer usage.

Mayor Brunst had some thoughts on timing, and noted that Mr. Seastrand had expressed a desire would be to continue this. Mayor Brunst said the delay in the delivery of the fliers was due to the system that the post office used. There had been a tremendous amount of effort to try to reach out to make it transparent and available. He was open to the idea of continuing the item to have more public input.

Mr. Spencer asked Mr. Broadbent if utilities were included in the rents, and Mr. Broadbent said if units had separate meters, renters would put the utilities in their own name. He said when contracts renewed they might increase rents, but that would depend on the market.

Mr. Sumner asked for clarification, that if the utilities went up, the landlords would increase the rent. Mr. Broadbent said they would do the best they could. If everyone's rent was going up in Orem, people would move to other cities. Mr. Sumner suggested that the landlords would probably raise rents more than the actual increase of the utility fee. Mr. Broadbent said rents would go up based on what the market could bare, but if utilities were going up considerably the landlords would try to recover as much as they could. They would not want to lose profits. He said commercial properties took a bigger hit than residential, typically.

Mr. Spencer said he wanted more time to do research and to review the sewer study from eighteen years ago. He would like to continue the discussion.

Mayor Brunst said in any apartment, if gas or electric went up, it affected everyone.

Mr. Davidson reviewed a comparison of usage rates in nearby cities, as well as the base rates.

<u>City</u>	<u>Base Rate</u>	<u>Volume Rate/1000 gallons</u>
Orem	\$ 9.32	\$1.42
American Fork	\$35.55	\$1.40
Payson	\$36.75	\$1.09
Pleasant Grove	\$24.14	\$2.29
Lehi	\$22.00	\$2.00
Spanish Fork	\$16.59	\$1.52

Springville	\$19.73	\$1.32
Provo	\$ 7.31	\$2.00

He said the full picture represented that an Orem utility customer could potentially take ninety-minute shower every day, and still come in with a lower sewer and water rate than most of the surrounding cities. He said the City was looking at both rates and knew there needed to be a balance between volume and base, but if landlords were looking to move their apartments to these other cities, they would not find cheaper rates.

\*\*\**Mr. Seastrand returned at 8:27*\*\*\*

Mrs. Black said she wanted to give her opinion since she would not be on the Council at the next meeting. She felt this was a fair and equitable solution to the issue. It seemed unusual that an eighty-two-unit development like Northridge near her home did not pay the same \$9.32 per home that she did. She said the base rate was the privilege to connect and the volume rate was how much was used. It was an equity issue that needed to be addressed. She said her friend from Pleasant Grove said she could not believe the complaints over Orem's rates which were so much lower than Pleasant Grove's. Mrs. Black said Orem was fortunate to have such low taxes and fees overall, but when studies were made they needed to be paid attention to.

Mr. Davidson compared it with the fact that it was only those that got pulled over for speeding got a ticket.

Mr. Seastrand said he had made some inquiries about the study done in 1997/98. It was important to find a fair and equitable solution, and he did not mind getting more information before making a decision. He would review the minutes and recordings to see what was done. He would like to continue the item.

Mr. Spencer **moved** to continue the discussion. Mr. Andersen **seconded** the motion.

It was asked if the public hearing would be continued. Mayor Brunst said it would be a continued discussion to give time for the public to communicate with Council members.

Mr. Spencer **amended the motion** to say that the discussion was continued to January 12, 2016, at 6:00 p.m., the public hearing having been closed. Mr. Macdonald **seconded** the amended motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

#### 6:00 P.M. PUBLIC HEARING – Transportation Master Plan

#### RESOLUTION – Adopting the December 2015 Transportation Master Plan and amending the Orem City General Plan to include the Transportation Master Plan as Appendix B

The Development Services Department requested that the City Council adopt the Transportation Master Plan and amend the Orem General Plan by adopting the Transportation Master Plan as Appendix B.

The last time a full Transportation Master Planning document was approved was in 1988 and was titled: "STREET MASTER PLAN for City of Orem, Utah, January 1988." Multiple

amendments had been made to that Master Plan over the years, and the Development Services Department felt that it was time to provide a complete new Plan.

The Development Services Department hired Horrocks Engineers to assist staff in developing the new Transportation Master Plan. A public outreach effort was launched to seek public input, including providing an interactive web page for citizens to provide comments on roadway, bike, and transit maps. Public outreach was managed by newsletter articles, City web page updates, project web page management, and other social media forms.

The proposed Transportation Master Plan was finalized based on traffic modeling efforts and public input. A public open house was held on September 1, 2015 to showcase the draft Plan and the Transportation Advisory Commission also held several meetings through the process of developing the new Plan. A copy of the proposed Plan was included with the agenda summary and could also be found at <http://www.oremtmp.com/>.

Having a complete Transportation Master Plan (TMP) was important for the following reasons:

1. A TMP is needed to receive federal, state, and county funding for regionally significant roadway improvements.
2. Developers will be required to follow the TMP and create proper setbacks for development – and will also construct certain improvements if they create a legal nexus due to development impacts.
3. The City will use the TMP in programming funding for needed transportation improvements; however, the City is not bound financially to complete needed transportation improvements identified by the Plan by any specific time.

The City's Transportation Advisory Commission had unanimously recommended approval of the Transportation Master Plan.

The Planning Commission recommended the City Council adopt the Transportation Master Plan and amend the Orem General Plan by adopting it as Appendix B. Staff supports the Planning Commission recommendation.

Mr. Goodrich introduced Sandy Lanshire with Horrocks Engineers; Blake DeVry; John Dorny, transportation engineer; Kevin Croshaw; Sam Kelly, City Engineer; and Griffin Harris, chair of the Transportation Advisory Commission.

Ms. Lanshire explained that having the Transportation Master Plan provided a citywide plan for roads, transit, bike and pedestrian pathways, and other vital infrastructure. She said that having a plan also helped the City get federal funding. The last Transportation Master Plan that was done for the City was in 1988. The new plan studied (1) roadway network conditions, including travel demand modeling, roadway functional classification analysis, level of service (LOS), the 2015 CIP program, and 2040 roadway improvements; (2) Alternative modes of Transportation , including transit, bicycle and pedestrian pathways curb radius; (3) other policies and guidelines, including truck routes, speed limit analysis, curb radius analysis, crosswalk analysis, traffic signal warrants, access management standards, traffic calming standards, traffic impact study requirements, and overall connectivity for the city.

Ms. Lanshire said the committee had conducted a public outreach program above and beyond the normal open house system because the City wanted more public input. There was a project hotline, project email, and website (OremTMP.com) and these were advertised through social media, the City blog, the City newsletter, and a press release. The committee gathered input from citizens from March 19 through May 19<sup>th</sup>, 2015, and about 150 comments were gathered. All were analyzed and categorized and either passed on to Keith Larson, City Traffic Engineer, or incorporated into the plan. On September 1, 2015, a public open house was held to discuss the draft plan and about 50 people attended and commented.

Ms. Lanshire explained the need for the various projects and how the conditions could worsen if they were not addressed. She said that 150 projects were identified, 52 of which were needed for capacity improvement in the next ten years.

Mr. Dorny explained that the committee had modified the three-phase travel demand model that MAG had developed, looking closer at the needs of the city. They noted that 1600 North and 800 East, and 1600 North and 1200 West were projects that were needed above and beyond what MAG showed. There was also a project on Center Street that MAG had identified as needing to be done by 2034, but the committee had recognized that it would be needed sooner. He reiterated that adopting the plan did not mean the projects would be done or funded, but that those were projects that the City would further consider.

Mr. Dorny pointed out the needs for new Hawk signals, roundabout improvements, bike paths, rails, routes, and intersections. All of the projects would come before the Council before anything was done.

Mayor Brunst said a concern for him was prioritization of the use of the road. He felt on some roads the parking needed to be removed from the street and on others restriping could widen the road and up the capacity. He would like to see a strong study on current assets.

Mr. Goodrich said the plan did not go into detail on the corridors, but it tried to prioritize which improvements on various roadways were needed first. Then microlevel prioritization would take place. He said a detailed analysis needed to be done with public involvement to determine which ones to focus on, and then there would be an environmental clearance process.

Mayor Brunst said he thought it would be interesting to see the cost of overlays versus having to purchase homes and properties. Mr. Goodrich said that would be the second step; the first step was getting the master plan in place.

Mr. Dorny said they had driven every collector road in Orem, and they had checked speed limits, school zones, street parking, etc. The committee considered what could be done to maximize the pavement. He again said all decisions would be up to the Council and all the details and tools were in the full document.

Ms. Lanshire, said the cost of the projects identified as the most needed over the next ten years would be about \$183 million, with inflation.

Mayor Brunst said the City's current annual road budget was only about half of what would be needed. He said Proposition 1 would have helped with that.

Ms. Lanshire said that what the City currently received from the gas tax would be used for maintenance only, not for new projects. She said the City did not get much funding at all from the county. MAG managed the federal and state funding, with the City receiving on average about \$1.3 million. She said that, with an approved master plan, the City could request more funding. She said the CIP fund for next year was about \$126,000. With rounding, that left about a \$1.6 million gap annually. Other funding could come from impact fees, bonding, and federal grants, but grants were costly and time consuming to pursue.

Mayor Brunst opened the public hearing.

Keith Wyatt, resident, said he was on the Transportation Commission and supported this document. He felt it was important that planning be an ongoing process. It was a living document that the Council, Mayor, and staff would refer to frequently. He said it should become a part of Orem's DNA to constantly plan and assess the future.

Scott Blackham, resident, said he liked the idea of bicycle paths. He said he hoped that as this moved forward the City would look at other cities and how they handled things. He had lived in Germany where they had excellent bike paths.

Mayor Brunst closed public hearing.

Mrs. Black **moved**, by resolution, to adopt the December 2015 Transportation Master Plan and amending the Orem City General Plan to include the Transportation Master Plan as Appendix B. Mayor Brunst **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. Those voting nay: Hans Andersen. The motion **passed, 6-1**.

#### RESOLUTION – Accept Fiscal Year 2014-2015 Audit

Mr. Manning introduced Mr. Ron Stewart with the firm of Gilbert and Stewart, which performed the audit, who presented the City Manager's recommendation that the City Council, by resolution, accept the Fiscal Year 2014-2015 audit as presented.

In accordance with State law, the City was required to have a complete financial audit performed by an independent auditing firm on an annual basis.

Over the past several months, the accounting firm of Gilbert & Stewart CPA, PC had been reviewing the City's financial records and had now completed their audit. All of the audit information was included in the Comprehensive Annual Financial Report (CAFR). Representatives from Gilbert & Stewart reviewed the CAFR in their presentation to the City Council during the meeting. The City ended the fiscal year at June 30, 2015, in relatively sound financial condition and had received an auditor's opinion with no qualifications (a "clean" opinion).

Mr. Stewart explained that the auditors were required to come to an opinion regarding the CAFR and whether it fairly represented what happened in the City. They confirmed various transactions with outside parties to make sure what was being reported was correct. The reported opinion of

the auditors was that the CAFR fairly represented the financial position of the City, in accordance with accounting principles generally accepted in the United States of America.

Mr. Stewart explained that the second report looked at controls in place and their effectiveness. As the auditors pulled samples, they made sure the process was working. In this report they did not give an opinion, but looked for material weaknesses and for significant deficiencies. The audit found neither of those problems.

Mr. Stewart said that, if the City spent more than \$500 in federal funds, they were required to go through an A-133 audit. The audit tested for compliance with federal programs. He said they tested a Department of Transportation grant and found that the City complied in all material respects.

Mr. Stewart said they also did compliance tests, in accordance with Utah law, within certain areas of the city, including budgetary compliance, justice courts, state retirement systems, open and public meetings, nepotism, cash management, and some others. They also looked at fund balance because there was a State requirement that the general fund could not be more than 25 percent of the general revenues, and the City exceeded that. He said that City management was aware, and it would be fixed in the upcoming budget amendment.

Mr. Seastrand asked if it was a timing issue. Mr. Stewart said there were ins and outs through the year, and it was tough to budget to spend those monies, not knowing when things would happen. He said it was the only finding, and it would be not a bad thing in the grand scheme of things. City staffs had been great to work with, were very responsive, and knew what they were doing.

Mr. Seastrand asked if this was the first year that this firm had done the audit. Mr. Stewart said it was. Mr. Seastrand said it was good sign that new eyes saw the same good things, and he was pleased that the firm had given the City an unqualified recommendation. He asked if there were there any recommendations for the future.

Mr. Stewart said in a large city like Orem, with so many departments, communication was very important. He said the accounting needed to know exactly how funding was going in and out.

Mr. Andersen asked when the State required that the audit be given to the Council. Mr. Stewart said it had to be reported 180 days after the fiscal year ended. Mr. Andersen asked when pending minutes for public meetings were supposed to be made available to the public. He answered his own question by saying it was 30 days after the holding of a public meeting. He said the Council had just approved four sets of minutes that were more than 30 days.

Mr. Stephens explained that pending minutes needed to be *available* after thirty days, but the final minutes did not have to be approved within thirty days.

Mr. Andersen said it was his understanding that most meetings this year had not been available to the public. He asserted that the City was breaking the law more times than they were keeping the law when it came to transparency with the minutes of meetings.

Mayor Brunst said the question was what “available” meant. He said that if someone wanted to come in to read or listen, the minutes were available.

Mr. Andersen **moved** that the City Council, by resolution, accept the Fiscal Year 2014-2015 audit. Mr. Spencer **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

6:00 P.M. PUBLIC HEARING – General Plan Land Use Map and Zoning Amendment  
RESOLUTION – Amending the General Plan land use map of the City of Orem by  
changing the land use designation on property located generally at 660 South Geneva Road  
from Low Density Residential to Community Commercial; and  
ORDINANCE – Amending Article 22-5-3(A) and the zoning map of the City of Orem by  
rezoning 5.83 acres of property located generally at 660 South Geneva Road from the R20  
zone to the C1 zone

The applicant withdrew her application on November 25, 2015, and requested the item not be considered.

### **COMMUNICATION ITEMS**

There were no communication items.

### **CITY MANAGER INFORMATION ITEMS**

There were no City Manager information items.

### **ADJOURN TO A MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY OF OREM**

Mayor Brunst **moved** to adjourn to a meeting of the Redevelopment Agency of the City of Orem. Mr. Macdonald **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

The meeting adjourned at 9:19 p.m.

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Donna R. Weaver, City Recorder

Approved: February 9, 2016